

**CITY COUNCIL MEETING MINUTES
TUESDAY, OCTOBER 21, 2008
CITY HALL COUNCIL CHAMBERS
22710 E COUNTRY VISTA DRIVE
7:00 P.M.**

INVOCATION

Given by Council Member Crump

PLEDGE OF ALLEGIANCE

Led by Mayor Van Orman, City Council, and Staff

CALL TO ORDER

Mayor Van Orman called the meeting to order at 7:02 p.m.

ROLL CALL

Mayor Pro Tem Says
Council Member Jenkins
Council Member Owens
Council Member Crump
Council Member Schuler
Council Member Olander
Council Member Langford (absent)

Doug Smith, Director, Community Dev.
Brian Asmus, Chief of Police
Jessica Platt, Admin. Services Manager
Sean Boutz, City Attorney
Ann Swenson, Executive Assistant

Council Member Crump moved to excuse Council Member Langford since he was traveling, seconded by Mayor Pro Tem Says. Mayor Van Orman called for the vote. In favor: Unanimous; Opposed: None.

AGENDA APPROVAL

Council Member Crump requested to add discussion of the November 4th City Council Meeting under the Unfinished / New Business section of the Agenda. He then moved to approve the Agenda as amended, seconded by Council Member Owens. Mayor Van Orman called for the vote. Motion approved. In Favor: Unanimous; Opposed: None.

APPROVAL OF CITY COUNCIL MINUTES

Mayor Van Orman indicated that due to the new digital recording system for the Council meetings there was a delay in receipt of the September 16th. Council Member Crump moved to approve the September 16, 2008 as amended, seconded by Mayor Pro Tem Says. Motion passed. In Favor: Unanimous; Opposed: None. Council Member

Crump then moved to approve the October 7, 2008 minutes, seconded by Mayor Pro Tem Sayrs. Motion passed. In Favor: Unanimous; Opposed: None.

CITIZEN COMMENTS

None.

MAYOR AND CITY COUNCIL REPORTS

Council Member Crump reported that Commissioner Agnew, the Liberty Lake Sewer & Water District, did follow-up on his request to talk with the board to discuss whether reparation was needed due to the incident at Trailhead. Council Member Crump said according to the water and sewer Commissioners, "The issue is complete and done". Councilman Crump commended and thanked the Commissioners for their follow through.

Councilman Crump provided a Finance Committee report. The committee reviewed vouchers, the third quarter financial report, and the Mayor's 2009 draft budget. Some of the 2009 budget highlights include: no additional FTEs, a slight increase in seasonal staff, the arboretum, ball field, skate park, Rocky Hill match money, COLA/step money, an 8.2% increase in medical benefits, and a decrease of 25-32% for long-term disability, depending on salary level. Changes and usage of tourism funds, usage of golf tax, beautification goals, and the agenda for next Tuesday's special workshop were also discussed at the Finance Committee meeting.

Mayor Van Orman talked about the City's new, soon-to-be annual Winterfest event. This year's kickoff is December 4th with the tree-lighting ceremony. More information will be available in the December issue of the *Link*. The Mayor attended a meeting for the Spokane Solid Waste System on Friday. The waste energy plant's bond will be paid off in 2010, which could provide a residential cost savings of approximately \$30. The City of Liberty Lake and the City of Spokane Valley will be the first cities to negotiate contracts in 2011 and open discussions are taking place on having a regional governance board structure. The Mayor reported on recently touring the Huntwood facility, the Arbor Day tree planting at Rocky Hill Park, and the Valley Chamber's lunch with guest speaker Secretary of State Sam Reed.

Mayor Van Orman reported that Phil Hamm from the Liberty Lake Municipal Library Board and Bill Jeckle from Planning Commission will be stepping down from their positions. The vacant board positions will be posted on the City's website.

ACTION ITEMS

Council Member Crump moved to approve the Consent Agenda, which included vouchers totaling \$102,322.91. Council Member Owens seconded the motion. Motion passed. In Favor: Unanimous; Opposed: None.

Check sequences were: 10353 through 10419.

PRESENTATION

Jessica Platt, Administrative Services Manager, presented the City's third quarter financial reports. Overall, the General Fund is in a solid financial position through the third quarter of 2008, with total actual revenues slightly above estimated levels and the majority of expenditures below the 75 percent budget threshold. The available General Fund operation cash balance was \$13,252 and \$1,492,259 in the Local Government Investment Pool (LGIP) at the end of September 2008, an increase of \$584,046 compared to that in the third quarter of 2007.

Ms. Platt discussed quarterly property tax collections, sales tax in the business sector, building permit fees and business license fees, other fund expenditures, the national economic report, as well as the state and local economy.

The Quarterly Report is available on the City's Website, www.libertylakewa.gov, under Administrative Services.

ORDINANCE – FIRST READING

Ann Swenson, Executive Assistant, read Ordinance No. 170. Mayor Van Orman called for a motion in order to open up discussions to get input regarding the Ordinance.

Mayor Pro Tem Sayrs moved to accept Ordinance No. 170, seconded by Council Member Crump.

Jessica Platt outlined the ordinance in more detail. She indicated "what we wanted to do this year is give the public ample time to comment between now and the end of November". The levy has to be certified by November 30th. The ordinance would increase property tax in 2009 by 1%, totaling \$16,388. Ms. Platt emphasized that this is not necessarily a property tax increase, and explained that when the City's assessed valuation rate goes up, the tax levy rate goes down. The 2008 tax levy rate is \$1.58/\$1,000 assessed value. In 2009, the rate changes to \$1.54/\$1,000 assessed value.

Discussions took place regarding the increased cost by approximately 3.5% to provide City services and what services are paid for by the \$1.54 rate. Of the \$1.54, the library gets fifty cents and the other \$1.04 pays for services such as planning, payroll, street maintenance, parks and the police department. The 3.5% increased cost for services would be addressed by the proposed 1% levy increase and a proposed lean budget cut of 7%. Mayor Pro Tem Sayrs said the growth in the community will offset some of the increased costs, and reminded the Council that, under current state law, property taxes cannot be counted upon to be a long-term, reliable source of funding because it loses value compared to inflation.

Since this was a first-read, Mayor Pro Tem Sayrs withdrew his original motion. Mayor Van Orman asked for consent to withdraw the motion. There was no opposition by Council to withdraw the motion. Motion was withdrawn.

WORKSHOP DISCUSSIONS

Lodging Tax Advisory Board Recommendations:

Mayor Van Orman met with the Lodging Tax Advisory Board on October 10th to review 2008 and 2009 applications for tourism promotion funding. She discussed the criteria set forth by the Board to qualify for funding. She said last year the prior administration had promised the Spokane Regional Convention & Visitors Bureau funding for \$25,000 and she and the Board agreed to honor that.

The Mayor presented the Board's recommendations to the City Council for review and approval. The Board recommended funding for the Spokane Regional Convention & Visitors Bureau in the amount of \$25,000 for 2008 and \$10,000 in 2009, and the Friends of Pavillion Park in the amount of \$10,000 for 2009.

Mayor Van Orman also noted a local hotel board member was vacating her position. She presented a new application, by Stephanie Ice from Cedars Inn, to the Council and asked for review and approval of the application to fill the vacancy.

Council Member Schuler questioned what the additional \$15,000 in 2008 will give the City above the \$10,000 in 2009. Mayor Van Orman said the Spokane CVB promotes Liberty Lake throughout the region and nationally, which draws people to the area and occupy our hotels. She indicated that the CVB will advertise our local events, including concerts, the upcoming Winterfest and events at the Valley Hub. The Mayor discussed the requirements of SSB5647 and explained the granting process for the lodging tax funds.

Mayor Pro Tem Sayrs moved to approve the tourism promotion funding as recommended by the Lodging Tax Advisory Board, seconded by Council Member Owens.

Discussion was then undertaken regarding the burden of proof for promotion of the area, how many people actually stay overnight in Liberty Lake, how much money the fund generates annually, and the Board's recommendations.

Mayor Van Orman then called for the vote. Motion passed unanimously.

Mayor Pro Tem Sayrs moved to confirm Stephanie Ice as a member of the Lodging Tax Advisory Board, seconded by Councilman Crump. Motion passed unanimously.

Capital Project Priorities

Doug Smith, Director of Planning and Community Development, discussed Liberty Lake Capital Project Priorities that have been included in the preliminary 2009 budget. The four capital projects include phase II of Rocky Hill Park, the arboretum, ball fields and a skate park. He said that no major street projects have been identified for 2009 and welcomed a conversation regarding any projects not listed as a priority that the Council may be interested in.

Discussions then took place regarding early receipt of budget numbers for the Council to review, the option to score and rank priorities for consistency from year to year, citizen input on capital project priorities with town hall meetings, the availability of funds for capital projects after purchasing the new facilities building this year and scaling back next year, and review of last year's priorities.

Council Member Jenkins emphasized the need to establish a prioritization process for capital projects, and suggested if one is not established that he "will fight this tax increase all the way to the bitter end." Council Member Olander suggested the Council first listen to the Mayor's budget presentation next week, then work on prioritizing capital projects.

Cost of Living Adjustment (COLA)

The Council reviewed and discussed salary survey comparison information from surrounding cities and cities similar in population to Liberty Lake. The Mayor explained that the cost of living adjustment is based on the August CPI rate that is reflected in the union contract with the police department. Discussions took place regarding the difference between COLA and merit-based step increases, the historical basis of tying non-union employee salary increases to the police union contract, annual analysis of City positions with appropriate readjustments in salary, clarification of Trailhead workers' salaries and revenue to the City, financial policies.

UNFINISHED / NEW BUSINESS

Since the next regularly-scheduled Liberty Lake City Council Meeting falls on Election Day (November 4th) and two council members are running for office, Mayor Van Orman said she would like to cancel the Council's November 4th meeting and move the second read of Ordinance No. 170 to November 18th.

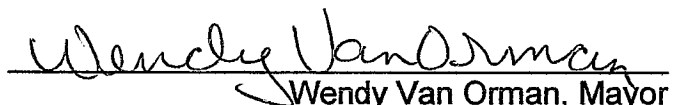
CITIZEN COMMENTS

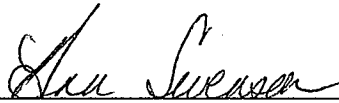
Louise Quirk, 23012 E. Dutchmans Lane, Liberty Lake, WA. Ms. Quirk said, "Thank you for changing the City Council meeting because I don't see a lot of people here and I think there'd be even less people because we're either going to watch the first African-American be elected or the first woman, and I think that's really, really important. So, although I plan to be at more City Council meetings, even though I don't live in the City, because I want to know what is going on, thank you for not meeting that night."

ADJOURNMENT

The meeting adjourned at 9:02 p.m.

These minutes are approved on November 18, 2008


Wendy Van Orman, Mayor
City of Liberty Lake



Notes and Transcription by Ann Swenson, Executive Assistant. This Council meeting was also audio taped. Anyone desiring to listen to the recording may contact the City Clerk.